

Electrical Rate Review Meeting
August 18, 2006
City Hall Boards and Commissions Room

General Analysis or Statements

More of a rate reduction can be done than mayor is proposing
Lots of money in reserve – will be used for viaduct and not future rates
Give more money back to rate payers
Keep the debt ratio stable
Reduce capital program – which they can't spend – debt ratio will be more in line
A huge "slush fund" that doesn't need to be there
Less of a slush fund would create less liberal spending
More rate reduction
Industrial sector subsidizes residential
Industrial rate at Puget Power is less than City Light
Look into embedded costs

How do you feel about the mayor's rate decrease proposal?

Look into embedded cost of service study
Use average costs – not marginal costs
Embedded cost would be more fair
Marginal cost study is not a fair determinant
Council requested an embedded cost survey summer of last year – what's the status?
Industry would like to see an embedded cost study
Do a subsidy analysis of residential v. downtown rates

Size of Rate Reduction

Keep long term stability – keep the reduction low enough so that sharp future increase is avoided
There is excessive cash on hand – use it to reduce rates, not jeopardize stability
Want a stable City Light
Today's money is for today; tomorrow's money is for tomorrow
Money taken from rate payers is money taken from future investments
Don't just look at the debt ratio
City Light projects cash reserve to go down over the next year or two
Get back to standard reserve 25-30 million
Find balance between who pays now and who pays later
Happy to have a voice in this process
Embedded cost study
Keep City Light stable
Understand maintenance and what these costs include – why have we had recent outages?
Cash reserve is way too high
We have some of the highest utility rates in the country
City Light has always been stable thanks to City Hall and the Council
Large new loads coming on from large server farms – don't subsidize these
Get decrease across all rate classes
Rate stabilization – no peaks or valleys
Meet existing and forthcoming loads within new structure and proposal

Priority Issues

Cost allocation
Capital budget
Cost allocation study
Rate design
Capital budget
Rate design
Rate design
Cost allocation study
Operating expenses
Rate design
Cost allocation study
Rate design – residential rates and network rates
What's driving these changes in the short period of time?
Cost allocation study
Capital budget

C.A.M.P Statement

Supports rate reductions
City Light is past due to give rate relief
Mayor's plan needs more rate reduction
Need more reduction for low income
Keep commitment to rate payers and lower the rates
Research to reduce impact on low income households – benefit/burden analysis

Network Rates

Rates should be designed around cost of service
Absurd that residential and small business customers should not be on a network rate
Base rates on cost

B.P.A.

New BPA rates should be included in new City Light plan
Be aware of the new operating expenses

Other Issues

Why is option to allow users to sell wholesale power gone?
Waiting for answer from City Light

Revenue Forecast

Understand and analyze net power sales and the jumps from year to year
Understand revenue requirements and the rate jumps
Happy to be a part of this conversation – happy that conversation revolves around reduction